BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAI'I

FILED

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PUBLIC UTILITIES COMMISSION

In the Matter of the Application of WAI'OLA O MOLOKA'I, INC. For review and approval of rate increases; revised rate schedules; and revised rules.	)	Docket No. 2009-0049

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

and

CERTIFICATE OF SERVICE

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OF THE STATE OF HAWAI'I

In the Matter of the Application of WAI'OLA O MOLOKA'I, INC. For review and approval of rate increases; revised rate schedules; and revised rules.	)	Docket No. 2009-0049

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COMES NOW, WAI'OLA O MOLOKA'I, INC., by and through its attorneys, Morihara Lau & Fong LLP, hereby submit its Responses to the Division of Consumer Advocacy's Third Submission of Information Requests consistent with the Stipulated Regulatory Schedule (Exhibit "A") contained in the Stipulated Prehearing Order, filed on November 6, 2009.

DATED: Honolulu, Hawaii, November 25, 2009.

MICHAEL H. LAU, ESQ.
YVONNE Y. IZU, ESQ.

Morihara Lau & Fong LLP
Attorneys for WAI'OLA O MOLOKA'I, INC.

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-35 **Ref: WOM 10.3.**

a. On pages 23 – 24 of WOM-T-100, the Company indicates that the test year estimate reflects a significant increase in the expense related to Well 17 water. Please confirm that the rates are increasing relevant to the requested increase in the bulk water sales (Kualapuu Bulk Sale Contract) rate that MPU is seeking.

RESPONSE: The statement is confirmed.

b. Please discuss the possible disposition of the test year estimate for this item if the Commission has not yet issued its decision and order relating to the appropriate rate for this item.

RESPONSE: The Commission could establish an interim rate for the charge for water provided by MPU. The Commission could make a provision for a change in rates charged by MPU for water to be effective upon the issuance of a rate order in the MPU rate case, effective on the effective date of the rate change in the MPU rate case in Docket No. 2009-0048..

c. Please discuss the Company's position on the possible regulatory actions that should be taken if the Commission approves a rate for bulk water sales subsequent to an order setting rates in the instant proceeding and the bulk rate varies significantly from the requested rate in Docket No. 2009-0048.

RESPONSE: See response to part "b" above.

d. If applicable, please provide a copy of the contract that dictates the terms of this agreement.

RESPONSE: There is no contract for this service.

e. On MPU 11 in Docket No. 2009-0048, it appears that the test year estimate is based on escalating $1.25 by 1.73659 and applying that rate to an estimated volume of 26,000.

1. Please discuss whether the present rate for bulk sales is $1.25 as shown on MPU 11 or $1.125 as shown on MPU 4.

RESPONSE: The $1.125 is the correct rate. The present rate shown on Exhibit MPU 11 should be changed.

2. On MPU 11 in Docket No. 2009-0048, the proposed rates appears to be $2.171, but the proposed rate for the bulk sales as shown on MPU 5 is $2.8301 for Phase I and $3.3984 for Phase II. Please discuss the apparent discrepancy.

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

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CA-IR-35 (cont.)

RESPONSE: The bulk rate for Phase II shown on Exhibit MPU 5 in Docket No. 2009-0048 is $3.3984 as stated in the request. However, the bulk rate shown on Exhibit MPU 11, line 11, column 9 is also $3.3984 and not the $2.171 as stated in the request.

f. Please discuss whether there are any studies that have confirm the reasonableness of the costs attributed to the bulk sales. If so, please provide a copy of the applicable study, report or analysis.

RESPONSE: The Company is not aware of any studies.

g. Please provide the recorded amount of water transported under this agreement for each of the past five years (2004 - 2008).

RESPONSE: See Attachment CA-IR-35g which shows the water used at the Kualapuu meter by month for the period March 2006 to September 2009. The meter was inoperable for the period prior to March 2006 and therefore no data can be provided for that period.

SPONSOR: Robert O'Brien

ATTACHMENT
CA-IR-IR-35g

Kualapuu Monthly Useage in K gallons

Date	Beginning	Ending	Useage	
Jan-2006	None	In repair		
Feb-2006	In repair			
Mar-2006	0	819	819	
Apr-2006	819	2537	1718	
May-2006	2537	4324	1787	
Jun-2006	4324	6855	2531	
Jul-2006	6855	8942	2087	
Aug-2006	8942	11294	2352	
Sep-2006	11294	13557	2263	
Oct-2006	13557	15699	2142	
Nov-2006	15699	17254	1555	
Dec-2006	17254	18921	1667	
Jan-2007	18921	20832	1911	
Feb-2007	20832	22629	1797	
Mar-2007	22629	24887	2258	
Apr-2007	24887	26730	1843	
May-2007	26730	28720	1990	
Jun-2007	28720	29618	898	Well 17 Down feeding from Kipu
Jul-2007	29618	30615	997	Well 17 Down feeding from Kipu
Aug-2007	30615	33413	2798	
Sep-2007	33413	35871	2458	
Oct-2007	35871	38967	3096	
Nov-2007	38967	40944	1977	
Dec-2007	40944	42737	1793	
Jan-2008	42737	44609	1872	
Feb-2008	44609	46566	1957	
Mar-2008	46566	49003	2437	
Apr-2008	49003	50829	1826	
May-2008	50829	53242	2413	
Jun-2008	53242	55729	2487	
Jul-2008	55729	58174	2445	
Aug-2008	58174	60459	2285	
Sep-2008	60459	63184	2725	
Oct-2008	63184	65609	2425	
Nov-2008	65609	67551	1942	
Dec-2008	67551	69469	1918	
Jan-2009	69469	71247	1778	
Feb-2009	71247	72865	1618	
Mar-2009	72865	74776	1911	
Apr-2009	74776	76695	1919	
May-2009	76695	78568	1873	
Jun-2009	78568	80157	1589	
Jul-2009	80157	82509	2352	
Aug-2009	82509	84444	1935	

Kualapuu Monthly Useage in K gallons

Date	Beginning	Ending	Useage
Jan-2004			0
Feb-2004	0		0
Mar-2004	0		0
Apr-2004	0		0
May-2004	0		0
Jun-2004	0		0
Jul-2004	0		0
Aug-2004	0		0
Sep-2004	0		0
Oct-2004	0		0
Nov-2004	0		0
Dec-2004	0		0
Jan-2005	0		0
Feb-2005	0		0
Mar-2005	0		0
Apr-2005	0		0
May-2005	0		0
Jun-2005	0		0
Jul-2005	0		0
Aug-2005	0		0
Sep-2005	0		0
Oct-2005	0		0
Nov-2005	0		0
Dec-2005	0		0

CA-IR-36 **Ref: WOM 10.3.**

The Company has projected $42,000 of DHHL to Wailoa at Kalae expenses.

a. Please explain why the recorded amount more than doubled from 2006 to 2007.

RESPONSE: The charges from DHHL are based on actual water provided by DHHL at the rates that DHHL charges to its customers. The increase is due to the changes in usage and the change in rates during the periods as charged by DHHL.

b. Please explain the recorded increase in the expense from 2007 ($23,715) to 2008 ($39,671).

RESPONSE: See response to part "a" above.

c. Please provide a copy of the contract or agreement governing the arrangement to obtain and transport the water recorded as this expense.

RESPONSE: *See Attachment CA-IR-13a.*

d. The Company's test year estimate appears to be a hard input in the Company's revenue requirement model. Please discuss how the test year estimate was developed. Please provide a copy of any supporting calculations, assumptions, etc.

CA-IR-36 (cont.)

RESPONSE: The Company started with the recorded amount for the year ended June 30, 2008 of $39,671 and increased it by 3.00% for inflation for each year ended June 30, 2009 and 2010. The result of $42,087 was rounded to $42,000 for the Test Year expense

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

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CA-IR-37 **Ref: WOM 10.3.**

The Company records expenses related to potable water at Puunana.

a. Please provide a copy of the agreement or contract that governs this arrangement.

RESPONSE: There is no agreement that governs the arrangement.

b. Please provide a copy of any studies or analysis that supports the reasonableness of the charges assessed under this agreement.

RESPONSE: Not applicable, see response to part "a" above.

c. Please explain why the recorded expense for this line item decreased between 2005 ($138,659) and 2006 ($85,343).

RESPONSE: The decrease between the years ended June 30, 2005 and 2006 shown on line 3 was due to the accounting change described in response to CA-IR-44a provided in Docket No. 2009-0048. The measurement of change in expense should be made by comparing the expense totals on lines 3 and the sum of lines 5 to 14. The amount on line 16 reflects the difference between the WOM expenses shown on lines 5 to 14 and the cost of sales amount charged to WOM by MPL but does not reflect the actual expenses incurred by WOM for 2006. The total of the amounts on lines 3 plus lines 5 to

14 is $197,779 show an increase from $138,659 from 2005 to 2006 of approximately $58,000. The major reasons for the increase was a charge of approximately $25,000 in March 2006 for a Workers' Compensation adjustment and approximately a $30,000 increase in the salaries and wages related to the maintenance and operation of the mountain water facilities. There was also an increase in the insurance expense as well as changes in other accounts.

d. Please explain why the recorded expense for this line item decreased between 2006 ($85,343) and 2007 ($39,084).

RESPONSE: The comparison of expense for line 3 between 2006 and 2007 should, as discussed in response to part "c" above, include the change in the total expense reflected on lines 5 to 14. Once all of the 2007 elements are included, the total expense for line 3 plus lines 5 to 14 of $108,414. The major reasons for the decrease of $89,365 in the total for 2007 of $108,414 from the comparable amount of $197,779 for 2006 are the Workers' Compensation adjustment of approximately $25,000; a reduction in the charges to WOM for the use of mountain water in the amount of approximately $40,000; a

CA-IR-37 (cont.)

decrease in insurance expense of approximately $3,500 and a decrease in salaries and wages of approximately $4,000.

e. Please explain why the recorded expense for this line item decreased between 2007 ($39,084) and 2008 ($8,516).

RESPONSE: The comparison of expense for line 3 between 2007 and 2008 should, as discussed in response to part "c" above, include the change in the total expense reflected on lines 5 to 14. Once all of the 2008 elements are included, the total expense for line 3 plus lines 5 to 14 of $72,352. The major reasons for the decrease of $35,882 in the total for 2008 of $72,352 from the comparable amount of $108,414 for 2007 are a reduction in the charges to WOM for the use of mountain water in the amount of approximately $29,000 and a decrease in insurance expense of approximately $4,000.

f. The Company's test year estimate appears to be a hard input in the Company's revenue requirement model. Please discuss how the test year estimate was developed. Please provide a copy of any supporting calculations, assumptions, etc.

RESPONSE: The Company started with the recorded amount for the year ended June 30, 2008 of $8,516 and increased it by 3.00%

CA-IR-37 (cont.)

for inflation for each year ended June 30, 2009 and 2010. The result of $9,035 was rounded to $9,000 for the Test Year expense

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

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CA-IR-38 **Ref: WOM 10.4.**

a. If WOM is not recording the expenses related to chemicals and testing as well as treatment expenses in this line item, please identify where these expenses are being reflected.

RESPONSE: The only chemicals used by WOM are for chlorine treatment at Manawainui and Kualapuu. Currently the monthly expense for the chlorine used for this purpose is approximately $150 per month. This amount has been reflected on MPU's accounting records. The Company is changing its coding procedures and should reflect the annual amount of $1,800 for the test year as part of WOM and will reduce the same amount from MPU's test year expense.

b. Please discuss the advantages and disadvantages of recording the chemicals and testing expenses separately as compared to, say, as a loading factor.

RESPONSE: This expense should be reflected as an expense on WOM since the treatment is solely for the benefit of WOM and its customers.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

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CA-IR-39 **Ref: WOM 10.5.**

a. Please confirm that the fuel for vehicles reflected on this schedule represents fuel expenses that are solely attributable to the Company.

RESPONSE: The fuel expense reflected on this schedule is solely for activities for the Company.

b. Assuming that the response to part a. is in the affirmative, please discuss the procedures that are used to ensure that the fuel expenses recorded for the Company are properly attributable to the Company.

RESPONSE: Fuel expense is charged to the Company based on vehicle use by Company employees. This ensures that fuel charges to the Company are made only based on employee use of vehicles for work on Company activities

c. Please discuss whether the fuel expenses reflect the usage related to the six vehicles that are identified in the Company's records.

RESPONSE: The fuel charges reflect the use of the six vehicles on activities related to Company business. Fuel charges track the use of the vehicles and employee time related to Company activities.

CA-IR-39 (cont.)

d. Please confirm that the Company is asserting that, not including any fuel expenses attributed to MOSCO, the combined fuel expense for vehicles used for WOM and MPUI is $24,804, $23,757, and $23,524 for 2008, 2007, and 2006, respectively. (sources are WOM 10.5 and MPU 10.5). If this understanding is incorrect, please explain what the amounts on each schedule represent.

RESPONSE: The understanding is correct. The fuel expenses shown on Exhibit MPU 10.5 and WOM 10.5 represent only the fuel charges for work on MPU and WOM. As shown on Confidential Workpaper 10.2, the six employees charge approximately 87% of their time to WOM and MPU, which are substantially larger in service territory than MOSCO and the vehicle use and fuel costs reflect that difference.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

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CA-IR-40 **Ref: WOM 10.6.**

a. Please provide a detailed explanation of the types of activities that are reflected as an allocation of the finance department.

RESPONSE: The Finance department personnel perform all necessary accounting functions including payment of all bills for the utilities and prepares monthly financial statements, required reports for inclusion into the corporate consolidated financials and any required reports and documents for the Hawaii Public Utilities Commission, other State departments such as the DOH and DOA.

b. Please provide a copy of the documents that support the charges made to the Company as a finance department allocation in each of the years 2004 through 2008.

RESPONSE: See Attachment CA-IR-40b.

c. If not provided elsewhere, please provide the following:

1. list of the positions that contribute to the allocation;

RESPONSE: See Attachment CA-IR-40b.

2. the wages and/or salaries for each of the listed positions that contribute to the finance department allocation; and

RESPONSE: See Attachment CA-IR-40b.

CA-IR-40 (cont.)

3. an explanation why the functions that are attributed to the Company are necessary on an annual basis.

RESPONSE: See Attachment CA-IR-40b.

d. Please discuss whether the Company considered employing a bid process to determine whether it might be more cost effective to obtain the services described in part (a) of this information request.

RESPONSE: No, the Company did not consider employing any external sources for these functions. The work performed is part of the consolidated services and, at the monthly charge, is too small for any external sources.

SPONSOR: Robert O'Brien

ATTACHMENT
CA-IR-40b

Attachment CA-IR-40b, page 1
Docket No. 2009-0049

Waiola O Molokai
Administrative Charges for Waiola, MPU and Mosco
As of December 2007

	Service	Hours per Month			Charge			
	Rate	Waiola	MPU	Mosco	Waiola	MPU	Mosco	Total
COO	115.00	2.50	1.00	0.25	150.00	60.00	15.00	225.00
Controller	60.00	7.00	2.00	0.75	420.00	120.00	45.00	585.00
Sr Accountant	40.00	8.00	6.00	2.50	320.00	240.00	100.00	660.00
Staff Accountant	25.00	7.00	4.00	1.50	175.00	100.00	37.50	312.50
Office Manager	30.00	8.00	6.00	3.00	240.00	180.00	90.00	510.00
					1,305.00	700.00	287.50	2,292.50
Adminstrative Fee	15%				196.00	105.00	43.00	344.00
					1,501.00	805.00	330.50	2,636.50

Molokai Properties Limited
Administrative Charges for Waiola, MPU and Mosco
As of July 2008

	Service		Hours per Month		Charge			
	Rate	Waiola	MPU	Mosco	Waiola	MPU	Mosco	Total
Controller	60.00	7.00	2.00	0.75	420.00	120.00	45.00	585.00
Staff Accountant	25.00	7.00	4.00	1.50	175.00	100.00	37.50	312.50
					595.00	220.00	82.50	897.50
Adminstrative Fee	15%				89.00	33.00	12.00	134.00
					684.00	253.00	94.50	1,031.50
		Use			680	250	95	
							1025	

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

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CA-IR-41 **Ref: WOM 10.7.**

a. Please provide an explanation what the recorded cost of $11,313 represents. In the Company's response, please include information or discussion regarding the following:

1. the vendor used;

RESPONSE: The major charges were for $8,800 to Mr. Brokate. $2,213 to County of Maui.

2. the nature of the services that were procured:

RESPONSE: The Company was required to use Mr. Brokate's services because of licensing requirements for certain operations. This is required when the Company does not have necessary licensing for certain operational functions. The Company is retrieving the accounting records which will enable it to provide a more complete response to this request. A response will be provided by the week of November 30, 2009.

3. support that the costs reflect an ongoing type of activity, whether annually or on a periodic (e.g., five years) basis.

RESPONSE: The Company will be required to incur costs related to the need for special licenses when similar licensing requirements exist. While this is not a regular event it

CA-IR-41 (cont.)

is likely to occur periodically. The County of Maui charge is likely to recur periodically also.

b. Please discuss whether the Company relied upon a bid process to support its selection of outside services providers.

RESPONSE: The Company did not use a bid process in the acquisition process for this expense. The Company normally uses local suppliers for materials and/or services when its employees require support from external sources. In general, most of the Company's recurring material and service requirements are not significant enough to support a bidding process. The Company does use a bid process for significant material or service requirements.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

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CA-IR-42 **Ref: WOM 10.8.**

a. The Company recorded $5,479 of plant direct R&M expenses for the period ended June 2007.

1. Please describe the nature of the expenses incurred;

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

2. Please explain why the level of expenses increased over the prior year levels; and

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

3. Please explain why it is reasonable to expect that the level of expenses should be recurring, whether on an annual or periodic (e.g., five years) basis.

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

b. The Company recorded $10,160 of plant direct R&M expenses for the period ended June 2008.

CA-IR-42 (cont.)

1. Please describe the nature of the expenses incurred;

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

2. Please explain why the level of expenses increased over the prior year levels; and

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

3. Please explain why it is reasonable to expect that the level of expenses should be recurring, whether on an annual or periodic (e.g., five years) basis.

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

c. Based on WOM 10.8, beginning in 2006, a different accounting procedure resulted in expenses being directly

CA-IR-42 (cont.)

charged that were previously charged from MPL to operating subsidiaries.

1. Please describe the nature of the R&M expenses being directly charged to the Company that were previously charged from MPL. In your explanation, please provide separate discussions of labor and non-labor expenses.

RESPONSE: The nature of the expenses did not change, only the procedures for coding and recording certain expenses normally incurred by WOM. See response and attachments to CA-IR-44a in Docket No. 2009-0048.

2. If not already discussed, please explain why it was not possible for the utility employees to perform all of the necessary R&M duties for any labor expenses directly charged to the Company previously charged from MPL.

RESPONSE: As described in response and attachments to CA-IR-44 in Docket No. 2009-0048, the expenses for labor, materials and other categories were the performed by Company employees and expenses were the same before, during and after the accounting change. The change merely separated expense charges between supply and other functions.

3. If the direct charged R&M expenses previously charged from MPL are all non-labor expenses, please explain why these amounts were not recorded as WOM direct charges.

RESPONSE: See response and attachments to CA-IR-44 in Docket No. 2009-0048 and also responses to previous parts of this IR.

4. There was $7,011 recorded for the period ended 2006. The average for 2007 and 2008 activity was less than $4,000. Please explain the difference.

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

d. Please discuss whether the Company relied upon a bid process to support its selection of outside services providers.

RESPONSE: See response to CA-IR-41b.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-43 **Ref: WOM 10.10.**

a. Please provide a detailed description of the type or types of insurance that is reflected as direct expenses.

RESPONSE: See response to CA-IR-48 in Docket No. 2009-0048.

b. Please provide a detailed description of the type or types of insurance that is reflected as charged from MPL.

RESPONSE: See response to CA-IR-48 in Docket No. 2009-0048.

c. Please provide a copy of the premium notice or other documents that support the projected expense level for all types of insurance reflected as insurance expense.

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

d. If the insurance reflects a total that is allocated among various subsidiaries, please provide the means by which the costs are properly attributed or allocated. If different methods were used in various years, please provide the method or methods used in each of the past five years and explain the need for the change at each modification in the method.

RESPONSE: See response to CA-IR-48 in Docket No. 2009-0048.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-44 **Ref: WOM 10.11.**

a. Please provide the current amount of regulatory expenses incurred to date broken down by each type of expense.

RESPONSE: See Attachment CA-IR-44a.

b. Please provide the budgeted amount of hours of each type of category and the actual hours incurred to date for each of the applicable phases.

RESPONSE: See Attachment CA-IR-44a.

c. Please discuss whether the Company relied upon a bid process to support its selection of outside services providers.

RESPONSE: The Company did not use a bid process for its regulatory professionals used to prepare and prosecute the rate case. The regulatory professional and the legal team were selected because of prior work and specific knowledge of the Company's operations which was not available to other providers.

SPONSOR: Robert O'Brien

ATTACHMENT
CA-IR-44a

Waiola O Molokai
Regulatory Expense - Updated for Case Expansion
Test Year Ending June 30, 2010

		[1]	[2]	[3]
Line #	Description	Ref:	Amount	Total
	PREPARATION AND FILING - Actual			
1	Regulatory		$36,978	
2	Legal		36,655	
3	Travel			
4	Other Non-Labor			
5	Sub-Total			73,633
	DISCOVERY - REVISED			
	Actual to October 31, 2009			
6	Regulatory		14,302	
7	Legal		46,320	
8	Travel			
9	Other Non-Labor			
10	Sub-Total			60,622
	Estimated From November 1 to December			
11	Regulatory		15,625	
12	Legal		30,000	
13	Travel			
14	Other Non-Labor			
15	Sub-Total			45,625
	REBUTTAL			
	Estimated From January to February			
16	Regulatory		15,625	
17	Legal		20,000	
18	Travel			
19	Other Non-Labor			
20	Sub-Total			35,625
	HEARING, BRIEFING AND INTERIM RATES			
	Estimated to Completion			
21	Regulatory		15,624	
22	Legal		40,000	
23	Travel		8,500	
24	Other Non-Labor			
25	Sub-Total			64,124
26	TOTAL RATE CASE EXPENSE			$279,629

Molokai Public Utilities, Inc.
Regulatory Expense - Updated for Case Expansion
Test Year Ending June 30, 2010

REGULATORY CHARGES

Line #	Description	[1] Ref:	[2] Amount	[3] Sub_Total	[4] Total
	PREPARATION AND FILING - Actual				
1	2008 -- March, April & Oct		$2,604		
2	-- November		521		
3	-- December		3,906		
4	2009 -- January		9,114		
5	-- February		16,406		
6	-- June		4,427		
7	Total Preparation & Filing				$ 36,978
	DISCOVERY - REVISED				
	Actual to October 31, 2009				
8	2009 -- September		9,115		
9	-- October		5,187		
10	Sub-Total			14,302	
	Estimated From November 1 to December				
11	2009 -- November		10,417		
12	-- December		5,208		
13	Sub-Total			15,625	
14	Total Discovery				$ 29,927
	REBUTTAL				
	Estimated From January to February				
15	2010 -- January		10,417		
16	-- February		5,208		
17	Total Rebuttal				15,625
	HEARING, BRIEFING AND INTERIM RATES				
	Estimated to Completion				
18	2010 -- March		7,812		
19	-- April		5,208		
20	-- May		-		
21	-- June		2,604		
22	Sub-Total			15,624	
23	Travel, Hotel and Expenses		3,000		
24	Other		500		
25	Sub-Total			3,500	
26	Total Hearing, Briefing & Rates				$ 19,124
					$ 101,654

Waiola O Molokai
Regulatory Expense - Updated for Case Expansion
Test Year Ending June 30, 2010

LEGAL CHARGES

Line #	Description	[1] Ref:	[2] Amount	[3] Sub_Total	[4] Total
	PREPARATION AND FILING - Actual				
1	2008 -- March & April				
2	-- October				
3	-- November				
4	-- December				
5	2009 -- January				
6	-- February				
7	-- June		36,655		
8	Total Preparation & Filing				$ 36,655
	INTERVENTION/DISCOVERY - REVISED				
	Actual to October 31, 2009				
9	2009 -- September				
10	-- October		46,320		
11	Sub-Total			46,320	
	Estimated From November 1 to December				
12	2009 -- November				
13	-- December		30,000		
14	Sub-Total			30,000	
15	Total Discovery				$ 76,320
	REBUTTAL				
	Estimated From January to February				
16	2010 -- January				
17	-- February		20,000		
18	Total Rebuttal				20,000
	HEARING, BRIEFING AND INTERIM RATES				
	Estimated to Completion				
19	2010 -- March				
20	-- April				
21	-- May				
22	-- June		40,000		
23	Sub-Total			40,000	
24	Travel, Hotel and Expenses				
25	Other		5,000		
26	Sub-Total			5,000	
27	Total Hearing, Briefing & Rates				$ 45,000
					$ 177,975

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-45 **Ref: WOM 10.12.**

a. Please provide a detailed description of the type of travel expenses that the Company incurs.

RESPONSE: The Company travel is limited to travel from Molokai to Honolulu or Honolulu by WOM and or MPL employees for business meetings or training related to the utility operations.

1. Please identify each trip and the cost associated with each trip for each of the years 2005 and 2008.

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

2. For each identified trip, please describe the nature of the trip and how it relates to the Company's regulated utility business.

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

b. Please justify the level of travel expenses that the Company proposes to recover from ratepayers and explain why such travel expenses are necessary and reasonable for regulated water utility company of the Company's size.

RESPONSE: The total travel costs for the Test Year of approximately $600 based on a five-year average, represents travel of WOM personnel to Honolulu for business meetings and for training purposes and also periodic travel by MPL personnel in Honolulu to Molokai to oversee operations and provide guidance to the local operating personnel. While these costs for the Test Year have been based on historic levels, they are likely to increase due to the reduction of MPL personnel on Molokai.

c. If not already discussed, please confirm that the Company thoroughly investigates other means or alternatives to travel, such as electronic mail, teleconference or video conferencing, before relying upon travel to conduct regulated utility operations.

RESPONSE: The Company uses electronic mail, teleconference and direct phone communications whenever possible and travel to Molokai for Honolulu personnel or to Honolulu personnel is done only when necessary. The Company believes that a travel budget of approximately $12 per week is very reasonable concerning the interaction required with various, Federal, State and County governmental agencies or operations.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-46 **<u>Ref: WOM 10.12.</u>**

a. The Company's request is proposing to recover approximately $818 of cellular expense in the test year (a five year average). Please provide a copy of the Company's most recent cellular bill that supports this estimate.

RESPONSE: See Attachment CA-IR-52b provided in Docket No. 2009-0048. See page 6 for the WOM portion of the month of September 2009 charge which is approximately $202. See Attachment CA-IR-46a, page 1, for the WOM portion of the month of October 2009 charge which is approximately $184. The Company believes its ongoing annual charge will be around $2,000 which is approximately equal to the cellular charges on Exhibit WOM 10.12 of $1,818. The $1,818 is the combination of the $818 (the five-year average of line 5) and the $1,000 from line 10 which are the amounts that were included in the cost of sales.

b. While the Consumer Advocate can recognize the need for cellular service, given that the Company already has telephone service, please justify the projected cellular expense reflects a reasonable amount for the Company's size.

CA-IR-46 (cont.)

RESPONSE: The utility personnel working on Molokai are rarely in the office and infrequently use the office phone and facilities during the working day. As such cellular service is required for the Company and its personnel to maintain contact and work efficiently together. It is also a safety issue that employees are issued with cellular phones. Many work in remote locations and it is critical they are able to contact others in an emergency.

c. The Company is projecting that there will be $1,000 of communications expenses charged from MPL. Please provide a detailed explanation of the type of expenses reflected in this amount.

1. Since the Company is already reflecting $849 for telephone and cellular expense in the test year, please justify the reasonableness of an additional $1,000 for communications expense for a small water utility company.

RESPONSE: The Company believes that the costs for the MPL personnel to communicate with the personnel on Molokai is as necessary as the costs for the Molokai personnel to communication with those in Honolulu. These costs are essential to the operation of the business and the provision of safe and reliable service to the WOM customers.

d. If any of the $1,000 reflects allocated expenses, please provide the workpapers used to determine the appropriate allocated amount.

RESPONSE: The $1,000 average for communications from account 615 does not reflect allocations from MPL. These charges are similar to the charges described in response to CA-IR-44 in Docket No. 2009-0048. The procedures used to record expenses for WOM was the same as those used to record the expenses for MPU. As shown in Attachment CA-IR-44a, Parts B, C and D (general ledger schedules for Department # 610 for 2008, 2007 and 2006 respectively) for MPU, the total of the charges in accounts 610-710-00, 01, 02 and 03 equals the charge shown on Exhibit MPU 10-11, line 14 for communications expense. As shown by the descriptions and charges for those accounts the charges are for communications solely for MPU which were included in Department # 610 for 2006 to 2008 as described in Attachment CA-IR-44a. This would be true for WOM, although the amounts would be less as reflected on Exhibit

CA-IR-46 (cont.)

WOM 10.12, line 10 compared to the expense amounts on Exhibit MPU 10.11, line 12.

SPONSOR: Robert O'Brien

ATTACHMENT
CA-IR-46a

WAI

09/13/09-10/12/09 Sprint Phone Bill
Staff and Vehicle Allocation

NAME	MPU	MOSCO	WAIOLA	%HOURS	HOURS PER WEEK
KAMAKANA, REX	45%	10%	45%	100%	40
REYES, CLEMENT	45%	10%	45%	100%	40
RACINE, MARSHALL	95%		5%	100%	40
KAMAKANA, MICHAEL	45%	15%	40%	100%	40
AQUINO, CONRAD			100%	100%	40
JUARIO, BERNARD	70%	10%	20%	100%	40

POSTED

KAMAKANA, REX	$	105.88	$	23.53	$	105.88	$	235.28
REYES, CLEMENT	$	31.40	$	6.98	$	31.40	$	69.78
RACINE, MARSHALL	$	39.14	$	-	$	2.06	$	41.20
KAMAKANA, MICHAEL	$	12.55	$	4.18	$	11.15	$	27.88
AQUINO, CONRAD	$	-	$	-	$	27.88	$	27.88
JUARIO, BERNARD	$	19.52	$	2.79	$	5.58	$	27.88
Late Fee	$	-	$	-	$	-	$	-
	$	208.48	$	37.48	$	183.95	$	429.90

MPU-711-00	$	208.48
MOS-711-00	$	37.48
WAI-711-00	$	183.95
	$	429.90

Elaine

Approval Elaine Hammond
Date 10-20-09
Description 5776 00089 09/13-10/12 Sprint
Dept/Acct # WAI-711-00 183.95
OR Job #
Cost Code #

ATTACHMENT CA-IR-46a

09/13/09-10/12/09 Sprint Phone Bill

Phone Number	Phone Name	Monthly	Extra Chgs	Surcharges	Taxes	Total	Usage
808-336-0334	Sonny Reyes	$ 62.98	$ 0.60	$ 5.48	$ 0.72	$ 69.78	499.00
808-336-0240	Rex Kamakana	$ 59.99	$ 169.28	$ 5.29	$ 0.72	$ 235.28	761.00
808-336-1111	Paki Kamakana	$ 25.00	$ -	$ 2.20	$ 0.68	$ 27.88	93.00
808-336-1112	Bernard Juario	$ 25.00	$ -	$ 2.20	$ 0.68	$ 27.88	129.00
808-336-0254	Malia Kino	$ 25.00	$ 22.68	$ 4.22	$ 0.71	$ 52.61	1,063.00
808-336-1114	Conrad Acquino	$ 25.00	$ -	$ 2.20	$ 0.68	$ 27.88	137.00
808-336-1711	Marshall Racine	$ 30.50	$ 7.16	$ 2.85	$ 0.69	$ 41.20	978.00
808-336-0339	Raymond Hiro	$ 62.98	$ -	$ 5.44	$ 0.72	$ 69.14	808.00
808-336-0487	Dathan Bicoy	$ 59.99	$ 0.60	$ 5.33	$ 0.72	$ 66.64	237.00
808-590-0048	Daniel Orodenker	$ 63.99	$ -	$ 5.53	$ 0.72	$ 70.24	15.00
808-590-1194	Peter Nicholas	$ (31.99)	$ -	$ (2.81)	$ (0.03)	$ (34.83)	0.00
		$ 408.44	$ 200.32	$ 37.93	$ 7.01	$ 653.70	4,720.00
					Outstanding Balance:		
					Total for Bill:	$ 653.70	
					Differentiation:		
					Actual amount owed:		
					Amount Paid:	$ 653.70	
					Credited Amount:	$ -	

110-711-00	$ 35.41	$ 35.41
495-711-00	$188.39	$188.39
see below	$429.90	$\boxed{\$429.90}$
	$653.70	$653.70

ATTACHMENT CA-IR-46a

YOUR SPRINT INVOICE

Sprint

> ACCOUNT INFORMATION

Account Name
MOLOKAI RANCH

Account Number
517600089
Platinum Business Premier

Invoice Date
October 16, 2009

Total Amount Due
$653.70

> MONTHLY INVOICE SUMMARY

September 13 - October 12, 2009

Previous Balance	1,504.97
Adjustments to previous balance	-32.00
Payments as of 10/13/09 - Thank you	-1,504.96
Outstanding Balance	**-$31.99**
Access and Related Items	440.43
Cellular Services	28.64
Messaging Services	2.40
Equipment and Retail Purchases	169.28
Sprint Surcharges	37.93
Government Fees and Taxes	7.01
***Total Current Charges for 517600089 Due 11/05/09**	**$685.69**
Total Amount Due	**$653.70**

RECEIVED
OCT 17 2009
MOLOKA'I RANCH, LTD.
HONOLULU ACCOUNTING

> CUSTOMER CARE

Register and Logon
www.sprint.com

Call Sprint
1-877-639-8351

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See reverse side for details. >

Sprint
PO BOX 8077
London, KY 40742

#BWNKCTX
#0000 0517600089 B 3# 1009
AT 04 000819 47188E 10 B**3DGT
MOLOKAI RANCH
TANYA SING CHOW
119 MERCHANT ST STE 408
HONOLULU, HI 96813-4418

ATTACHMENT CA-IR-46a

*Any unpaid balance after the due date may be subject to a late payment charge

YOUR SPRINT INVOICE

Sprint

> ACCOUNT SUMMARY

Account Charges and Adjustments

	Monthly Recurring Access Charges	Service Discount/ Adjustments	Cellular Minutes/ Charges	LD and Other Minutes/ Charges	Directory Assistance Charges	Nextel Direct Connect Svcs. Minutes/ Charges	Messaging Number of Messages/ Charges	Data and Third Party Services KB/ Charges	Equipment and Retail Purchases	Sprint Surcharges	Government Fees and Taxes	Totals
517600089 MOLOKAI RANCH									$169.28			$169.28

DAC Charges and Adjustments

Number/ Name	Plan	Page	Monthly Recurring Access Charges	Service Discount/ Adjustments	Cellular Minutes/ Charges	LD and Other Minutes/ Charges	Directory Assistance Charges	Nextel Direct Connect Svcs. Minutes/ Charges	Messaging Number of Messages/ Charges	Data and Third Party Services KB/ Charges	Equipment and Retail Purchases	Sprint Surcharges	Government Fees and Taxes	Totals
DAC: 110 711351608														
808-336-0334 SONNY REYES	Bus. Essentials 1000 7PM	9	62.98		499:00			305:59	4 0.60			5.48	0.72	69.78
110 Total Usage for DAC:					499:00			305:59	4					
Discounts for All Subscribers														
Total Charges for DAC:			$62.98						$0.60			$5.48	$0.72	$69.78
DAC: 609 711476746														
808-336-0240 REX KAMAKANA	Bus. Essentials 1000 7PM	13	59.99		761:00			1175:28				5.29	0.72	66.00
808-336-1111 PAKI KAMAKANA	Bus. Essentials Add-On 7P	14	25.00		93:00			211:33				2.20	0.68	27.88
808-336-1112 BERNARD JUARIO	Bus. Essentials Add-On 7P	15	25.00		129:00			151:25				2.20	0.68	27.88
808-336-1114 CONRAD ACQUINO	Bus. Essentials Add-On 7P	17	25.00		137:00			9:36				2.20	0.68	27.88
808-336-1711 MARSHALL RACINE	Bus. Essentials Add-On 7P	18	30.50		978:00		7.16					2.85	0.69	41.20
609 Total Usage for DAC:					2098:00			1548:00						
Discounts for All Subscribers														
Total Charges for DAC:			$165.49				$7.16					$14.74	$3.45	$190.84
DAC: 705 711476747														
808-336-0339 RAYMOND HIRO	Bus. Essentials 1000 7PM	24	62.98		808:00			131:04				5.44	0.72	69.14
705 Total Usage for DAC:					808:00			131:04						
Discounts for All Subscribers														
Total Charges for DAC:			$62.98									$5.44	$0.72	$69.14

Continued...

ATTACHMENT CA-IR-46a

YOUR SPRINT INVOICE

Sprint

> ACCOUNT SUMMARY

DAC Charges and Adjustments

Number/ Name	Plan	Page	Monthly Recurring Access Charges	Service Discount/ Adjustments	Cellular Minutes/ Charges	LD and Other Minutes/ Charges	Directory Assistance Charges	Nextel Direct Connect Svcs. Minutes/ Charges	Messaging Number of Messages/ Charges	Data and Third Party Services KB/ Charges	Equipment and Retail Purchases	Sprint Surcharges	Government Fees and Taxes	Tot
DAC: MOLOKAI 112736991														
809-336-0487 DATHAN BICOY	Biz Essentials 1000 7PM	27	59.99		237:00			572:21	3 0.60			5.33	0.72	66.(
MOLOKAI Total Usage for DAC: Discounts for All Subscribers Total Charges for DAC:			 $59.99		 237:00			 572:21	 3 $0.60			 $5.33	 $0.72	 $66.(
DAC: SPECIFIC DAC NEEDED 61522707														
808-336-0254 MALIA KINO	Biz Essentials Addon7PM	30	25.00		1063:00		21.48	1:20	6 1.20			4.22	0.71	62.(
808-590-0048 DANIEL ORODENKER	Biz Essentials 1000 7PM	32	63.99		15:00							5.53	0.72	70.:
808-590-1194 PETER NICHOLAS	Biz Essentials 1000 7PM	33										-2.81	-0.03	-2.!
SPECIFIC DAC NEEDED Total Usage for DAC: Discounts for All Subscribers Total Charges for DAC:			 $88.99		 1078:00		 $21.48	 1:20	 6 $1.20			 $6.94	 $1.40	 $120.(
Usage for All Subscribers Discounts for All Subscribers Charges for All Subscribers			 $440.43		4720:00		 $26.84	2558:44	12 $2.40			 $37.93	 $7.01	 $516.4
[illegible]														

Total Subscribers on Account 11

If you prefer to receive a Summary Invoice, please visit sprint.com, log into My Sprint, and select the "Change how detailed your bill is" option or contact Customer Care. The Summary Invoice is designed for your convenience, and will not display full billing details.

ATTACHMENT CA-IR-46a

YOUR SPRINT INVOICE

ACCOUNT CHARGES AND ADJUSTMENTS

> ACCOUNT ACTIVITY SUMMARY

	Date Received	Amount
PREVIOUS INVOICE ACTIVITY		
Previous Balance		$1,504.97
Adjustments to Previous Balance		
Subscriber Adjustments by DAC		
Advanced Charge Prorated Cred *808-590-1194/184*1*3522*	10/12/09	-32.00
Subtotal DAC SPECIFIC DAC NEEDED-61522707		-32.00
Total Subscriber Adjustments		-$32.00
Total Adjustments to Previous Balance		-$32.00
Payments Toward Previous Balance		
Payment Check # 1421	09/22/09	-125.00
Payment Check # 375	09/22/09	-20.57
Payment Check # 2890	09/22/09	-107.49
Payment Check # 2896	10/03/09	-202.88
Payment Check # 61451	10/03/09	-785.12
Payment Check # 1431	10/03/09	-222.15
Payment Check # 380	10/03/09	-41.75
Total Payments		-$1,504.96
Outstanding Balance		[illegible]

	Rate/Date	Quantity	Amount
CURRENT INVOICE ACTIVITY			
Equipment and Retail Purchases			
Equipment Order HAW1-O-000018776			156.74
Direct/Indirect Overnight Ship HAW1-O-000018776			12.54
Total Equipment and Retail Purchases			$169.28
Current Balance			$169.28

Sprint

> ACCOUNT ACTIVITY DETAILS

Equipment Charges & Services

Sprint Order Number
HAW1-O-000018776, 10/02/09

Shipping Address
TANYA SING CHOW
119 MERCHANT
HONOLUL, HI 96813

Description	Quantity	SRP	SRP Total	Actual Charge	Total
RIM BB CURVE 8350I HANDSET KIT	1			149.99	149.99
Subtotal					$149.99
Sales Tax					6.75
Total					$156.74
Less Amount Paid					0.00
Total Equipment Charges & Services					$156.74

> ACCOUNT MANAGEMENT REPORTS

The following reports are compiled as a courtesy to help you analyze usage trends and manage your account activity.

Airtime Usage Detail

Subs	Plan	In/ Out	Peak/ Off Peak.	Total Min:Sec	*Plan Min:Sec	Other Min:Sec	Billable Min:Sec	Total Airtime Charges
4	Bus. Essentials Add-On 7PM							
	Anytime Minutes		Peak	965:00			965:00	386.00
	Anytime Minutes		Off Peak	372:00	372:00			0.00
	Direct Connect on Nextel		Peak	251:01			251:01	0.00
	Direct Connect on Nextel		Off Peak	121:33			121:33	0.00
3	Biz Essentials 1000 7PM							
	Anytime Minutes		Peak	197:00	197:00			0.00
	Anytime Minutes		Off Peak	55:00	55:00			0.00
	Direct Connect on Nextel		Peak	419:53			419:53	0.00
	Direct Connect on Nextel		Off Peak	152:28			152:28	0.00
3	Bus. Essentials 1000 7PM							
	Anytime Minutes		Peak	1537:00	1537:00			0.00
	Anytime Minutes		Off Peak	531:00	531:00			0.00
	Direct Connect on Nextel		Peak	1090:08			1090:08	0.00
	Direct Connect on Nextel		Off Peak	522:23			522:23	0.00
1	Biz Essentials Addon7PM							
	Anytime Minutes		Peak	408:00	103:00		305:00	122.00
	Anytime Minutes		Off Peak	656:00	656:00			0.00
	Direct Connect on Nextel		Peak	1:20			1:20	0.00
Total Airtime Usage Charges								$508.00

Airtime Usage Detail includes airtime of Direct Connect on Nextel phones
*Plan Min:Sec include Anytime minutes, Additional (Bonus) minutes, Mobile to Mobile minutes, Any Mobile,Anytime minutes, Mobile to Home minutes, and Mobile to Office minutes.
For this bill period, your account has used 498:00 Mobile to Mobile minutes, 00:00 Any Mobile,Anytime minutes, 00:00 Mobile to Home minutes, and 00:00 Mobile to Office minutes.

Continued...

ATTACHMENT CA-IR-46a

YOUR SPRINT INVOICE

ACCOUNT CHARGES AND ADJUSTMENTS continued

> ACCOUNT MANAGEMENT REPORTS

Nextel Direct Connect Services Usage

Subs	Plan	In/ Out	Peak/ Off Peak	Total Min:Sec	*Plan Min:Sec	**Other Min:Sec	Billable Min:Sec	Total Charges
3	Bus. Essentials 1000 7PM							
	Nationwide Direct Connect		Peak	27:42			27:42	0.00
	Nationwide Direct Connect		Off Peak	2:30			2:30	0.00
Total Nextel Direct Connect Services Usage Charges								$0.00

Note: This report represents minutes:seconds used as you make calls using Nationwide Direct Connect on Nextel, International Direct Connect on Nextel, Group Connect on Nextel phones, Group Connect on Sprint phones, TeamDC, and Opt-In TeamDC during the billing period. See Subscriber Activity Detail or Subscriber Informational Reports for individual charges and minutes used.

Shared Usage Adjustments

Description	Total Charges
Cellular Shared Usage Adj	-506.00
Total Shared Usage Adjustments	-$506.00

Note: This grid reflects your savings for billing period by using Shared Usage Price Plans. The Actual Adjustments appear with the subscriber details.

ATTACHMENT CA-IR-46a

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-47 **Ref: Application.**

While the amended application was filed on June 2009, it appears that the latest information reflected in the Company's application reflects information only through June 2008 for the most part and, in some instances, a few months later. Please provide updated information for each of the WOM 9, 10 and 11 schedules through October 2009 (September if October recorded values are not yet available).

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-48 **Ref: Application.**

a. Please identify each of the cost containment measures that the Company has implemented for labor and non-labor expenses in each of the past five years.

RESPONSE: Company has not paid any employee raises since 2002 except for (two) employees taking on increased responsibilities or achieving additional technical credentials. In addition, the utilities, MPU, WOM and MOSCO are currently operating with one employee less than normal. Finally, purchases have been deferred where they will not impact the quality, safety and reliability of the delivery of water or services.

b. If the Company has not implemented any such measures, please explain why not.

RESPONSE: Not applicable, see response to part "a" above.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-49 **Ref: Application – Rate Design.**

a. Please discuss whether the Company has considered tiered usage rates to encourage conservation. If such discussions have occurred, please indicate the outcome of those discussions.

RESPONSE: The Company has considered tiered rates for conservation in the past. In fact it proposed a large number of tiered rates in its application to the PUC in the MPU 2003 rate case, but the PUC only allowed a conservation rate in excess of 5,000 gals per day.

In the case of WOM by far the majority of users are domestic householders. There are very few farming enterprises or industrial users. The Company does not believe the numbers of users in its catchment area warrants tiered rates as their consumption is generally less than 1,000 gals per day

b. Please provide the data relied upon in evaluating tiered rates.

RESPONSE: *See response to part a, above.*

c. If not already provided in response elsewhere, please provide the monthly usage data for each of the past 24 months by customer meters and by consumption levels

CA-IR-49 (cont.)

(i.e., consumption itemized by tiered thresholds). For purposes of this question, if the Company already has data by thresholds it has considered, provision of that data is sufficient. If the Company has not developed its own thresholds yet, the use of any convenient increments is acceptable.

RESPONSE: The Company did not use any consumption data in its evaluations. The Company does not summarize its customer usage data by customer and therefore cannot provide usage data for usage thresholds as requested.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-50 **Ref: Application.**

a. If not already provided elsewhere, please confirm that there are no known changes in any of the development areas or customers that might affect the test year estimate of customers or usage.

RESPONSE: The Company is not aware of any changes in any of the developments or customer areas that might affect the test year estimate of customers or usage, except the significant reduction of customer usage that the Company has experienced since the implementation of the emergency rate increase granted by the Commission in its Order Approving Temporary Rate Relief issued on August 14, 2008.

b. If additional sales and customer data has become available beyond the application or any other response, please provide updated data on usage and customer count.

RESPONSE: See Attachment CA-IR-50b for updated customer usage data from January 2009 through October 2009.

SPONSOR: Robert O'Brien

CONFIDENTIAL

ATTACHMENT
CA-IR-50b

Attachment CA-IR-50b
Docket No. 2009-0049

Waiola O Molokai
Summary - Customers & Usage
Test Year Ending June 30, 2010

Line #	Description	[1] 12/31/07	[2] 6/30/08	[3] 12/31/08	[4] 6/30/09	[5] Year Ended 6/30/09	[6] Revised TY 6/30/10 Usage Calculation
		Six Months Ended					
	5/8" meter (200)						
1	Gallons billed in 000 gallons	27,239	20,845	25,258	19,467		
2	# of customers for Usage Billing	2,351	2,152	2,246	2,302		
3	Average Usage per Customer (000) (L 1 / L 2)	11.6	9.7	11.2	8.5		
	1.0" meter (201)- MIS						
4	Gallons billed in 000 gallons	2,043	1,405	1,632	-		
5	# of customers for Usage Billing	7	6	3	0		
6	Average Usage per Customer (000)	291.9	234.2	543.8	-		
	(L 4 / L 5)						30,917
	1.0" meter (202)						23,193
7	Gallons billed in 000 gallons	1,635	943	994	-		54,110
8	# of customers for Usage Billing	58	51	41	0		27,884
							19,467
9	Average Usage per Customer (000) (L 7 / L 8)	28.2	18.5	24.2	-		47,351
						Usage Decrease	87.51%
	TOTAL ALL						
10	Gallons billed in 000 gallons	30,917	23,193	27,884	19,467	47,351	41,436
11	# of customers for Usage Billing	2,416	2,209	2,290	2,302	4,592	
12	Average Usage per Customer (000) (L 10 / L 11)	12.8	10.5	12.2	8.5	10.9	
	Number of Customers for Monthly Charge						
13	# of Customers (151) MRC	2,178	1,979	2,048	2,051	4,096	
14	# of Customers (152) MRC	26	24	24	25	48	
15	# of Customers (153) MRC	111	102	102	109	204	
16	# of Customers (154) MRC	110	102	102	109	204	
17	# of Customers (158) MRC	7	6	6	6	12	
18	# of Customers (190) TPI	5	-	-	1	-	
19	# of Customers (241) KHY	6	6	6	6	12	
20	# of Customers (200) KWA	-	-		-		
21	Total Customers For Monthly Charge	2,443	2,219	2,288	2,307	4,576	

Waiola O Molokai
Summary - Customers & Usage
Test Year Ending June 30, 2010

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
				#	2008					2009				Fiscal Year Ended 6/30/08
Line #	Description	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
	WA (100)													
1	Gallons billed in 000 gallons	3,169	-	8,300	8,018	3,243	2,528	3,281	3,225	2,758	3,185	3,225	3,793	44,725
2	# of customers for Usage Billing	363	363	368	381	385	386	384	387	385	381	383	382	4,548
3	Average Usage per Customer (000) (L 1 / L 2)	8.7	-	22.6	21.0	8 4	6 5	8 5	8.3	7.2	8 4	8 4	9 9	9 8
	WA (115)													
4	Gallons billed in 000 gallons	852	-	780	-	-	-							1,632
5	# of customers for Usage Billing	1	1	1	0	0	0	0	0	0	0	0	0	3
6	Average Usage per Customer (000) (L 4 / L 5)	852.0	-	780 0	-	-	-	-	-	-	-	-	-	543 7
	AG (130)													
7	Gallons billed in 000 gallons	210	-	784	-	-	-							994
8	# of customers for Usage Billing	10	10	21	0	0	0	0	0	0	0	0	0	41
9	Average Usage per Customer (000) (L 7 / L 8)	21.0	-	37.3	-	-	-	-	-	-	-	-	-	24 2
	TOTAL ALL													
10	Gallons billed in 000 gallons	4,231	-	9,864	8,018	3,243	2,528	3,281	3,225	2,758	3,185	3,225	3,793	47,351
11	# of customers for Usage Billing	374	374	390	381	385	386	384	387	385	381	383	382	4,592
12	Average Usage per Customer (000) (L 10 / L 11)	11.3	-	25 3	21 0	8 4	6 5	8 5	8.3	7.2	8 4	8.4	9 9	10 3
	Number of Customers for Monthly Charge													
13	# of Customers (151) MRC	334	334	342	342	348	348	345	343	342	340	341	340	4,099
14	# of Customers (152) MRC	4	4	4	4	4	4	4	4	4	4	4	5	49
15	# of Customers (153) MRC	17	17	17	17	17	17	17	19	19	18	18	18	211
16	# of Customers (154) MRC	17	17	17	17	17	17	17	20	18	18	18	18	211
17	# of Customers (158) MRC	1	1	1	1	1	1	1	1	1	1	1	1	12
18	# of Customers (160) RC									1				1
19	# of Customers (241) KHY	1	1	1	1	1	1	1	1	1	1	1	1	12
20	# of Customers (200) KWA													-
21	Total Customers For Monthly Charge	374	374	382	382	388	388	385	388	386	382	383	383	4,595

Waiola O Molokai
Summary - Customers & Usage
Test Year Ending June 30, 2010

Line #	Description	[1] July	[2] Aug	[3] Sept	[4] Oct	[5] Nov	[6] Dec	[7] Six Months Ended 12/31/09
		2009						
	WA (100)							
1	Gallons billed in 000 gallons	2,960	3,493	5,723	3,576			15,752
2	# of customers for Usage Billing	383	385	384	478	0	0	1,630
3	Average Usage per Customer (000) (L 1 / L 2)	7.7	9.1	14.9	7.5	-	-	9.7
	WA (115)							
4	Gallons billed in 000 gallons							-
5	# of customers for Usage Billing	0	0	0	0	0	0	0
6	Average Usage per Customer (000) (L 4 / L 5)	-	-	-	-	-	-	-
	AG (130)							
7	Gallons billed in 000 gallons							-
8	# of customers for Usage Billing	0	0	0	0	0	0	0
9	Average Usage per Customer (000) (L 7 / L 8)	-	-	-	-	-	-	-
	TOTAL ALL							
10	Gallons billed in 000 gallons	2,960	3,493	5,723	3,576	-	-	15,752
11	# of customers for Usage Billing	383	385	384	478	0	0	1,630
12	Average Usage per Customer (000) (L 31 / L 32)	7.7	9.1	14.9	7.5	-	-	9.7
	Number of Customers for Monthly Charge							
13	# of Customers (151) MRC	341	341	342	438			1,462
14	# of Customers (152) MRC	5	5	5	8			23
15	# of Customers (153) MRC	18	20	18	24			80
16	# of Customers (154) MRC	18	18	18	22			76
17	# of Customers (158) MRC	1	1	1	2			5
18	# of Customers (190) TPI				1			1
19	# of Customers (241) KHY	1	1	1	1			4
20	Total Customers For Monthly Charge	384	386	385	496	0	0	1,651
21	# of Customers (200) KWA							-
22	Total Customers For Monthly Charge	422	426	423	546	-	-	1,817

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-51 **Ref: WOM 11.1 and WOM-T-100, pages 30 - 31.**

The Company indicates that it took the six months ended December 31, 2008, doubled it to represent 12 months and then divided by 10 percent to reflect a decrease in usage.

a. Please provide a copy of all analyses conducted to determine why there was decreased usage.

RESPONSE: *The analysis is described on Exhibit WOM-T-100, page* 31, lines 5 to 10, where it is stated that the Company used the actual usage for the 6 months ended December 31, 2008 times 2 to reflect a full year and then reduced that total by 10% to reflect the decrease in the six month period ended December 31, 2008 from the comparable period ended December 31, 2007, which was approximately a 10% reduction. However, as shown on Attachment CA-IR-50b, column 6, the Company is revising its test year estimate down from the 50,000 shown on Exhibit WOM 11.1, line 10, column 5 to 41,436 gallons shown on Attachment CA-IR-50b, line 10, column 6.

b. Please provide the recorded usage for each of the years 2004 – 2007 by meter size.

CA-IR-51 (cont.)

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

c. Please confirm that the Company is relying on only the usage ended December 31 form the years 2007 and 2008 to determine the 10 percent factor. If this understanding is incorrect, please discuss how the Company derived the 10 percent factor and provide a copy of the calculations, workpapers and assumptions used to derive the 10 percent factor.

RESPONSE: The understanding is correct with the clarification that the comparative periods were the six months ended December 31, 2008 and the six months ended December 31, 2007.

d. Please confirm that the use of 50,000 for the test year usage is based on the Company's description provided on pages 30 – 31, rounded down from 50,191. If not, please explain how the 50,000 was derived.

RESPONSE: The understanding stated above is confirmed. However, the actual usage for 2009 through October has reflected a continued decrease in usage and, as stated in response to

CA-IR-51 (cont.)

CA-IR-51b above, the Company is reducing its test year 2010 usage to 41,436.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-52 **Ref: WOM 11.1 and WOM-T-100, pages 30 - 31.**

a. Please provide the actual recorded number of customers by meter size for each of the past five years and the current number of customers by meter size for the month ended September 2009.

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

b. The Company indicates that it estimated the number of bills by doubling the number of customers by 2 based on the assumption that the number of customers would not change.

1. Please explain why the Company assumed that the number of customers would not change.

RESPONSE: Based on the overall economic climate, the Company did not believe that prior history of customer growth would continue. However, unlike the Company's projection of a decrease is water usage, the Company decided to maintain the level of customers through the test year.

2. Using the same logic that was used to determine the volume of water sales, should the test year estimate be based on the recorded number of customers as of

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-52 (cont.)

December 31, 2008 increased by the observed change from June 30, 2008 to December 31, 2009, or about 4%, for a total of about 4,760?

RESPONSE: No. See response to part "b.1" above.

c. If not already explained elsewhere, please discuss why the number of customers decreased from December 31, 2007 to June 30, 2008.

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

d. For any change greater than 10% between any two of the years from 2004 through 2008, please explain why that change occurred.

RESPONSE: The Company is retrieving the accounting records which will enable it to provide a response to this request. A response will be provided by the week of November 30, 2009.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-53 **Ref: WOM 11 Schedules.**

a. Please explain why the 8" meter customers are not charged a monthly rate.

1. If not already discussed, please identify each of the 12 customers in this class.

RESPONSE: The 8" meter customer (shown on line 6 of Exhibit WOM 11, is charged a monthly charge at the rate of $250.00 per month as shown in columns 3 and 4. There is only 1 customer in this class, the number 12 reflected on line 6, column 2 is the number of customer bills for the test year.

The 12 customers shown on line 8 (241 KHY) represents a monthly customer charge for a fire hydrant at the Kualapuu Elementary School. The monthly charge of $5.25 should have been included for this customer. The annual amount of $63.00 should be included in the Company's revenue at present rates.

2. Please confirm that each of these customers is not affiliated to the Company.

RESPONSE: It is confirmed that this one customer is not affiliated to the Company.

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-53 (cont.)

b. Please explain why the 4 customers described as (200) KWA are not charged a monthly rate.

1. If not already discussed, please identify each of the 4 customers in this class.

RESPONSE: This represents an inactive meter which is periodically read to confirm that it is inactive. The four monthly listings should be removed from the schedule. There is no current or active customer at that location.

2. Please confirm that each of these customers is not affiliated to the Company.

RESPONSE: It is confirmed that this one customer is not affiliated to the Company.

3. If not already discussed, please describe or discuss what type of meter is used for each of these customers.

RESPONSE: Not applicable, see responses to parts b.1 and b.2 above.

SPONSOR: Robert O'Brien

WAI'OLA O MOLOKA'I, INC.'S RESPONSES TO THE DIVISION OF CONSUMER ADVOCACY'S THIRD SUBMISSION OF INFORMATION REQUESTS

DOCKET NO. 2009-0049

CA-IR-54 **Ref: Rate Design.**

a. Please provide a detailed discussion of how each of the monthly rates at present rates was developed.

RESPONSE: The present rates, except for the temporary usage rate that was approved in Docket No. 2008-0115, were established in January 1993 based on the Company's CPCN request which is contained in Docket No. 7122. Other than the data presented in that docket, the Company has no additional data regarding the development of the present rates.

b. Assuming that the rates were developed based on some relationship to the potential total flow or throughput of water through each pipe size, please provide the analysis between the present rates and the total throughput of each meter size.

RESPONSE: See response to part "a" above.

SPONSOR: Robert O'Brien

CERTIFICATE OF SERVICE

I (we) hereby certify that copies of the foregoing document were duly served on the following parties, by having said copies delivered as set forth below:

MS. CATHERINE P. AWAKUNI *Executive Director* Department of Commerce and Consumer Affairs Division of Consumer Advocacy 335 Merchant Street, Suite 326 Honolulu, Hawaii 96813	3 copies *Hand Deliver*
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DATED: Honolulu, Hawai'i, November 25, 2009.

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